#### IN THE SUPREME COURT OF IOWA

Supreme Court No. 15-1373 Johnson County Case No. EQCV075292 Johnson County Case No. CVCV075457

> TSB HOLDINGS, L.L.C. and 911 N. GOVERNOR, L.L.C., Plaintiffs-Appellants,

> > VS.

CITY OF IOWA CITY, IOWA Defendant-Appellee.

#### REVIEW OF DECISION OF IOWA COURT OF APPEALS DATED OCTOBER 11, 2017

#### RESISTANCE TO APPLICATION FOR FURTHER REVIEW

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911 N. GOVERNOR, L.L.C

# QUESTION PRESENTED FOR FURTHER REVIEW

I. Whether the Court of Appeals erroneously concluded that Plaintiffs/Appellants ("TSB") Petition met minimal notice pleading requirements concerning its takings claim.

# **TABLE OF CONTENTS**

QUESTIONS PRESENTED FOR REVIEW	2
TABLE OF CONTENTS	3
TABLE OF AUTHORITIES	4
STATEMENT RESISTING FURTHER REVIEW	5
BRIEF IN SUPPORT OF TSB'S RESISTANCE	6
I. THE COURT OF APPEALS PROPERLY CONCLUDED THAT TSB	'S
PETITION MET MINIMAL NOTICE PLEADING REQUIREMENTS	5 6
II. SUMMARY	15
III. CONCLUSION	16
REQUEST FOR ORAL ARGUMENT	16
ATTORNEY'S COST CERTIFICATE	17
CERTIFICATE OF COMPLIANCE	18
PROOF OF SERVICE AND CERTIFICATE OF FILING	19
EVIDENTIARY EXHIBITS	20
C. JOSEPH HOLLAND LETTER TO CITY PLANNING & ZONING	
COMMISSION DATED SEPTEMBER 19, 2012	20
KEITH J. LARSON LETTER TO CITY COUNCIL MEMBERS	
DATED MARCH 4, 2013	22

# **TABLE OF AUTHORITIES**

### <u>Cases</u>

Am. Family Mut. Ins. Co. v. Allied Mut. Ins. Co.,	
562 N.W.2d 159 (Iowa 1997)	passim.
Cemen Tech. v. Three D. Indus., LLC, 753 N.W.2d 1 (Iowa 2008)	7
Conley v. Gibson, 355 U.S. 41 (1957)	15
Estate of Kuhns v. Marco, 620 N.W.2d 488 (Iowa 2000)	15
Fitzgarrald v. City of Iowa City, 492 N.W.2d 659 (Iowa 1992)	14
Hunziker v. State, 519 N.W.2d 367 (Iowa 1994)	13
Jack v. P and A Farms, Ltd., 822 N.W.2d 511 (Iowa 2012)	15-16
Kempf v. City of Iowa City, 403 N.W.2d 393 (Iowa 1987)	14
Lee v. State, 844 N.W.2d 668 (Iowa 2014)	8
Rick v. Boegle, 205 N.W.2d 713 (Iowa 1973)	9
Rieff v. Evans, 630 N.W.2d 278 (Iowa 2001)	7
Roush v. Mahaska State Bank, 605 N.W.2d 6 (Iowa 2000)	7

#### **STATEMENT RESISTING FURTHER REVIEW**

Defendant/Appellee City of Iowa City (the "City") seeks further review of the Court of Appeals' conclusion that TSB's Petition in this action met notice pleading requirements contrary to the conclusions of the trial court. The City argues that the Court of Appeals' ruling is in conflict with prior court rulings regarding notice pleading. TSB contends that the Court of Appeals' ruling is consistent with this Court's prior rulings regarding same and therefore the City's Application for Further Review should be denied.

# BRIEF IN SUPPORT OF TSB'S RESISTANCE TO THE CITY'S APPLICATION FOR FURTHER REVIEW

# I. THE COURT OF APPEALS PROPERLY CONCLUDED THAT TSB'S PETITION MET MINIMAL NOTICE PLEADING REQUIREMENTS

The Court of Appeals concluded that TSB's Petition in CVCV075457 met minimal notice pleading requirements regarding its takings claim and reversed the trial court's conclusion to the contrary. TSB Holdings, L.L.C. v. City of Iowa City, 2017 WL 4570511, at 10 (Iowa App., 2017). The City seeks further review of the Court of Appeals ruling. In its effort to obtain further review the City accuses TSB of not "prosecuting" its takings claim until after the trial court granted the City's Motion for Summary Judgment concerning the validity of Ordinance 13-4518. See City's Application at 5 ("Therefore, notice pleading should not give a litigant the freedom to revive a claim it chose not to prosecute throughout years of active litigation based on a vague illusion in its petition after the case is disposed of on summary judgment (emphasis in original)). The City also attempts to characterize TSB's petitions as seeking only to invalidate Ordinance 13-4518 and that therefore TSB's petitions did not put the City on notice of a potential damage claim related to the passage of Ordinance 13-4518. *Id.* at 8-11. As discussed below the City was well aware of a possible takings claim in advance of the trial court's summary judgment ruling and therefore the Court of Appeals correctly concluded that TSB's Petition met notice pleading requirements.

The starting point is TSB's Petition. As noted by the Court of Appeals TSB's Petition in CVCV075457 alleged that the passage of Ordinance 13-4518 would result in an unconstitutional taking of its property. App. 162 (Petition). Iowa is a notice pleading state. See Am. Family Mut. Ins. Co. v. Allied Mut. Ins. Co., 562 N.W.2d 159, 163 (Iowa 1997). Under notice pleading, a party is not required to plead or identify specific legal theories of recovery or even allege ultimate facts supporting a claim. Id. A petition need only give a defendant "fair notice of a claim asserted so a defendant can adequately respond." Id. A pleader need not even identify specific legal theories in a petition. Cemen Tech. v. Three D. Indus., LLC, 753 N.W.2d 1, 12 (Iowa 2008) (citing Roush v. Mahaska State Bank, 605 N.W.2d 6, 10 (Iowa 2000)). pleading is sufficient if it apprises of the incident out of which a claim arises and the mere general nature of the action. Rieff v. Evans, 630 N.W.2d 278, 292 (Iowa 2001). In addition to alleging that the passing of ordinance 13-4518 would result in an unconstitutional taking of its property, TSB's Petition contains a prayer for general equitable relief.

App. 162 ("Plaintiff prays that [sic] for such further relief as the court deems just and equitable in the premises."). Such a prayer is liberally construed and will often justify granting relief in addition to the relief contained in the specific prayer, provided it fairly conforms to the case made by the petition and the evidence. *Lee v. State*, 844 N.W.2d 668, 679 (Iowa 2014).

The issue before the trial court, and the Court of Appeals, was whether TSB's Petition provided the City notice of the incident giving rise to its takings claim and the general nature thereof. In this regard American Family is instructive. In American Family, American Family Insurance brought a declaratory judgment action for indemnity against Allied Insurance Company for payments made in connection with settling a claim. *American Family*, 562 N.W.2d at 159. Allied moved for and obtained summary judgment on American Family's contribution claim based on American Family's pleading only an indemnity claim and its failure to plead a claim for contribution. *Id.* at 163. The Supreme Court reversed the district court's grant of summary judgment and concluded that American Family's petition met notice pleading requirements concerning its contribution claim. Id. The Court stated that a petition gives fair notice if it informs the defendant of the incident giving rise to the claim and the claim's general nature. *Id* (Citations omitted).

The American Family Court held that a petition met notice pleading requirements for a contribution claim even though the term "contribution" did not appear in the petition. *American Family*, 562 N.W.2d at 163. If there was no separate contribution claim in American Family's petition there could not be a separate claim for damages related thereto. If the petition in *American Family* met notice pleading requirements when the cause of action was not even identified, TSB's Petition meets notice pleading requirements. TSB's Petition, which pleads the zoning and calls the rezoning an unconstitutional taking of TSB's property, puts the City on notice of the facts giving rise to the claim and its general nature. See Rick v. Boegel, 205 N.W.2d 713, 715 (Iowa 1973) ("When the Petition is not attacked until after the answer, the Petition will be liberally construed in favor of Plaintiff so as to effectuate justice, and pleader will be given advantage of every reasonable intendment (citations omitted")). Given the allegations in TSB's Petition, the request for general equitable relief, the applicable liberal pleading rules and the American Family and Lee holdings, the Court of Appeals properly concluded that the trial court erred in concluding that TSB's Petition did not meet notice pleading requirements.

The City seeks to distinguish American Family and Lee by asserting they were "active" cases; TSB's claim was not "active," the argument goes, because TSB never "pursued" its takings claim until after summary judgment when it filed its Motion to Enlarge. See City's Application at 13 ("TSB took no action on its alleged taking claim until after the district court filed its summary judgment ruling. The cases cited by the court of appeals [American Family and Lee] contemplate that a claim was litigated while the case was active" (emphasis in original)); Id. at 9, 10 ("TSB could identify no portion of the record identifying the issue of damages during litigation other than in their (sic) Rule 1.904(2) Motion." (emphasis in original)). The City's argument is without merit. Any suggestion that TSB's takings claim came to light only after the trial court's ruling on summary judgment is incorrect. At the hearing on both TSB's and the City's Motion, TSB repeatedly stated that regardless of the outcome on the validity of Ordinance 13-4518 TSB's takings claim still remained for trial. App. 201 (Counsel for TSB: "There is--We're going to have a trial on the takings claim, no matter what, even if the City's motion is granted"); 208 (same); Id. 213 (Counsel for the City: "We disagree that they have actually alleged a takings claim..."); Id. 215 (TSB's counsel quoting the taking allegation in TSB's Petition). Long before summary judgment became an issue there were a number of documents in the record before the trial court showing that the City was aware of a potential damage claim related to the passage of Ordinance 13-4518. See Exhibit A attached to Plaintiffs' Motion to Enlarge, Modify or Amend (September 19, 2012 letter to the City) ("[i]f the property is downzoned, it will result in a substantial decrease in value of the property, and likely a claim for damages against the City.");1 App. 76 ("Greenwood-Hektoen said a takings claims is defensible with what's proposed because they still have economically viable uses of the property...); Return of Writ and Verification of Record in CVCV075457 at 84 (Barkalow letter mentioning regulatory taking); *Id.* at 180 (Larson letter to council)

<sup>&</sup>lt;sup>1</sup> TSB acknowledges that the Court of Appeals erroneously attributes this language to TSB's Petition. This letter comes from an attachment to the City's own Motion for Summary Judgment. The City suggests this "mistake" is outcome-dispositive. TSB suggests the Court of Appeals ruling would be no different had it correctly identified the genesis of this language. The point of this letter and the cites that follow is to show that the City was aware of a possible takings claim even before TSB filed its lawsuits against the City. The Court of Appeals so noted when it held that "the City had notice of such a claim and has never contended otherwise..." *TSB Holdings, L.L.C.*, 2017 WL 4570511, at 10.

("Finally, if the proposed Ordinance is approved and goes into effect, my clients will have a very strong case for inverse condemnation").

The City suggests that the trial court dismissed TSB's takings claim was because it was "raised" after the ruling on summary judgment when the case was "inactive." See City's Application at 7 ("The district court correctly held notice pleading did not provide TSB the freedom to change the nature of its action after summary judgment was decided against it"). This argument is false. In its ruling the trial court itself noted that TSB alleged that Ordinance 13-4518 would result in an unconstitutional taking. App. 170 (ruling). The trial court nevertheless granted dismissal of "all claims pled," a line adopted from the City's proposed ruling. Id. at 181. TSB filed its Motion to Enlarge to seek clarification as to whether the trial court intended to dismiss TSB's takings claim based on its adoption of the City's "all claims pled" language. As a part of its Motion TSB brought the above-mentioned documents, already in the record, to the trial court's attention. App. 166, 167 (TSB Motion to Enlarge); See TSB's July 1, 2015 Reply. In ruling on TSB's Motion to Enlarge the trial court acknowledged that TSB's petition mentioned an unconstitutional taking but nevertheless concluded that TSB's Petition failed to meet notice pleading requirements because it "did not clearly state any separate takings claim or claim for damages." App. 184. The basis of the trial court's dismissal was TSB's failure to use the word "damages" in its petition and not because TSB raised any arguments after the trial court ruled favorably on the City's Motion for Summary Judgment. To use the City's terms, TSB's takings claim was "active" at the time the trial court ruled on the City's Motion for Summary Judgment. The Court of Appeals held, based on *American Family* and *Lee*, that the failure to specifically mention damages was not fatal to TSB's takings claim. *American Family* and *Lee* are on point and the Court of Appeals reliance on them was appropriate.

Next, the City repeats its arguments about the contents of TSB's Petitions and how they focus primarily on invalidating Ordinance 134518. *See* City's Application at 8-11. Just because TSB's Petitions made reference to the illegality of Ordinance 13-4518 and sought to invalidate it does not mean that TSB was willing to forgo the opportunity to recover damages by agreeing with the City to attempt to determine the validity of Ordinance 13-4518. Even if Ordinance 13-4518 was validly enacted it may nevertheless result in a taking entitling TSB to compensation. *See Hunziker v. State*, 519 N.W.2d 367, 372 (Iowa

1994) (Snell, J. dissenting); *Fitzgarrald v. City of Iowa City*, 492 N.W.2d 659, 665 (Iowa 1992) (stating that the frustration of investment-backed expectations by a zoning ordinance may constitute a taking for which compensation is due). Had TSB prevailed in invalidating the ordinance the takings claim would be moot.<sup>2</sup> The City is aware that the typical remedy for a taking is damages. Moreover, as outlined above and found by the Court of Appeals, the City had been aware of possible damage to the property resulting from the imposition of Ordinance 13-4518.

Finally, the City makes a litany of new complaints about how it would have proceeded differently had it realized TSB brought a takings claim, how neither TSB nor the City engaged in discovery, designated experts, how TSB sought summary judgment and not partial summary judgment, how TSB stated in a pleading that there exist no genuine issues of material fact for trial, how the trial court recognized that TSB and the City agreed to continue the original trial date so the Court could determine whether the matter could be disposed of on summary judgment, and complains about trial by ambush. *See* City's Application

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<sup>&</sup>lt;sup>2</sup> This is exactly what happened in *Kempf v. City of Iowa City*, 403 N.W.2d 393 (Iowa 1987) the genesis of this litigation, where the Court held the downzoning to be a taking of parts of the property but invalidated it thereto rather than award damages.

at 11-14. All of these "points" are irrelevant to the issue of whether TSB's Petition met notice pleading requirements. The Court of Appeals concluded that the allegation about an unconstitutional taking was sufficient to put the City on notice of the facts giving rise to TSB's takings claim. TSB Holdings, L.L.C., 2017 WL 4570511, at 10. The Court of Appeals did not think it necessary to specifically request damages to raise such a claim as the trial court did. The Court of Appeals further buttressed its conclusion by pointing out that the City only attacked TSB's pleading and never denied having notice of such a claim. *Id.* It is only now, for the first time in its Application, that the City claims it would have pursued a different litigation strategy. The City will have the opportunity to pursue such strategy at the trial of TSB's takings claim. The City has not been prejudiced at all.

#### II. **SUMMARY**

The primary purpose of pleading rules is to provide notice and facilitate a fair and just decision on the merits of a case. *Estate of Kuhns v. Marco*, 620 N.W.2d 488, 491 (Iowa 2000). Pleading rules do not exist to allow a mistake in the pleading to determine the outcome of a case. *Id.* (citing *Conley v. Gibson*, 355 U.S. 41, 48 (1957) (relation back case). The policy of Iowa is to allow a determination of controversies on the

merits. *Jack v. P and A Farms*, Ltd., 822 N.W.2d 511, 519 (Iowa 2012). TSB's Petition met minimal notice pleading requirements and the Court of Appeals properly so concluded. The City's Application for Further Review raises no novel proposition of Iowa law nor does the Court of Appeals' ruling run contrary to any law established by this Court. The City's Application for Further Review should therefore be denied.

#### III. <u>CONCLUSION</u>

TSB asks that this Court deny the City's Application for Further Review in its entirety.

#### **REQUEST FOR ORAL ARGUMENT**

Notice is hereby given that Appellant requests oral argument on this matter.

Respectfully submitted,

ELDERKIN & PIRNIE, P.L.C.

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#### **ATTORNEY'S COST CERTIFICATE**

I certify that the actual cost of reproducing the necessary copies of Plaintiff-Appellant's Resistance to Application for Further Review consisting of 19 pages was in the sum of \$0.00.

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# CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATION, TYPEFACE REQUIREMENTS, AND TYPE-STYLE REQUIREMENTS

- 1. This brief complies with the type-volume limitation of Iowa R. App. P. 6.1103(4) because this brief contains 2,466 words, excluding the parts of the brief exempted by Iowa R. App. P. 6.1103(4)(a).
- 2. This brief complies with the typeface requirements of Iowa. R. App. P. 6.903(1)(e) and the type-style requirements of Iowa R. App. P. 6.903(1)(f) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word in size 14 Font Cambria.

Dated this 10th day of November, 2017.

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#### PROOF OF SERVICE AND CERTIFICATE OF FILING

I, <u>Charles A. Meardon</u>, certify that on November 10, 2017, I served this document by filing an electronic copy of this document with the Electronic Document Management System to all registered filers for this case. A review of the filers in this matter indicates that all necessary parties have been and will be served in full compliance with the provisions of the Rules of Appellate Procedure.

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September 19, 2012



Planning & Zoning Commission City of Iowa City 410 E. Washington St. Iowa City, IA 52240

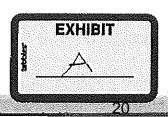
RE: CA12-00004

Dear Commission Members:

Our Firm represents Three Guys Holdings, the owner of property at 911 N. Governor Street. They also have an interest in property at 902-906 N. Dodge Street. We are aware that a proposed amendment to the Comprehensive Plan is coming before the Commission on Thursday September 20. These properties have a unique status in Iowa City, the bulk of the property being zoned R3B because of a court decision in the 1980s.

The R3B zone allows for many uses from multi-family residential to hotels, to office buildings. Just for information I have included with this letter an excerpt from the pre-1983 zoning ordinance setting out the uses allowed in R3B zones. There are, of course, various development standards which apply, but those are significantly more liberal than in the current zoning ordinance.

We recognize concerns raised by neighbors and by City officials and staff. However, we believe that the proposed Amendment and Rezoning are an overreaction. My client and the owner of 902-906 N. Dodge wish to work with the City staff to reach some agreements regarding use and development or redevelopment of the properties. In fact, we have met with representatives of the City attorney's office and the Planning Department to discuss an agreed resolution, perhaps even a CZA.



It is no secret that the proposed amendment to the Comprehensive Plan is a predicate step to downzoning the property. If the property is downzoned it will result in a substantial decrease in the value of the property, and likely a claim for damages against the City. That is not what we want to see happen. We want to work through a resolution which allows development to sustain the value of the property, while at the same accommodating the interests of the City and citizens.

What we are asking at this time is that the proposed Amendment to the Comprehensive Plan be deferred while we have continued discussions with City staff. This is not a matter of such urgency that it requires immediate action on either the proposed amendment to the Comprehensive Plan, nor rezoning. In fact, taking the time to have meaningful discussions with the property owner and exchanges of information with City staff are likely to produce a better outcome, certainly better than continued disputes.

We respectfully request that you indefinitely defer consideration of the amendment to the Comprehensive Plan, and any rezoning applications until such time as we have exhausted efforts to craft an agreement with the City staff which would come to you for consideration.

Very truly yours,

C. Joseph Holland

CJH:ses Enc.

CC:

Matt Hayek, Mayor Tom Marcus, City Manager Sara Hektoen, Assistant City Attorney Bob Miklo

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March 4, 2013

HONORABLE CITY COUNCIL MEMBERS (Sent via E-mail and USPS) 410 E Washington Street lowa City, Iowa 52240

In re: March 5, 2013 City Council Agenda Item 5g, Rezoning of Northalde

Dear Honorable City Council Members;

I write on behalf of my clients, TSB Holdings, L.L.C. and 911 N. Governor L.L.C. (collectively, "my Clients"), regarding the City Council's upcoming March 5, 2013 vote on Agenda Item 5g. Such Agenda Item relates to a proposed ordinance rezoning (a) the property located at 906 North Dodge Street from Multi-family (R3B) to High-Density Single-Family Residential (R5-12); (b) the property located at 911 North Governor Street from Commercial Office (C0-1) to High-Density Single-Family Residential (R5-12); and (c) the property located at 902 and 906 North Dodge Street from Multi-family (R3B) to Medium-Density Multi-Family Residential (RM-20) (collectively, the "Properties"). While the ordinance referred to in Agenda Item 5g (the "Proposed Ordinance") attempts to bring the Properties into compliance with the City's Comprehensive Plan, it also immediately and permanently harms my Clients in the amount of at least \$1 million. My Clients, therefore, respectfully request that the City Council table or defer a final vote on the Proposed Ordinance to allow the City and my Clients a brief period of additional time to discuss ways in which we can achieve the City's goals for rezoning the Properties in a way that imposes less of a financial hardship upon my Clients.

Nothing contained herein is intended or should be construed as an admission as to the validity of any claim or cause of action or a waiver of rights to dispute any claim or cause of action. This letter and all related or all or written communications are part of actions needed to the communications are part of actions and the communications are part of actions. Federal Rule of Evidence 408, and all applicable law.

# A. Immediate and irreparable harm.

In 2009, my Clients purchased the Properties, Prior to purchasing the Properties, my Clients confirmed with the City that the Court Order permitting the property owner to develop the Properties in accordance with the provisions applicable to R3H zoning were binding and in full effect. To finance such purchase, my Clients obtained a bank loan collateralized by the Properties. As a part of that process, the Properties were appraised. The purpose of such appraisals was to determine the market value of the Properties for loan underwriting. The appraised value of the Properties at the time of purchase (in 2009) was \$1,260,000. This appraised/market value assumed the Properties could be developed under R3B zoning.

In 2010, my Clients refinanced their loan. The appraised/market value of the Properties at that time was determined to be \$1,490,000, based upon the construction of units upon the Properties under R3B zoning. The estimated fair market value of each living unit that would have been constructed on the Properties was approximately \$25,000. As such, if my Clients are permitted to build only two units on each property referenced above (as opposed to seventy-two), the collective value of the Properties is drastically reduced, Under a 2013 appraisal, my Clients estimate that this could amount to a total loss in property value of at least \$1 million.

Not surprisingly, the underwriting bank has contacted my Clients about this potential loss in value. The bank has informed my Clients that if the Proposed Ordinance is approved tomorrow, the new zoning classification will have a substantial negative impact on future potential income being able to be produced from the Properties. Accordingly, the market value of the Properties will be correspondingly reduced. Given the required debt to equity ratios included in the loan agreements between my Clients and the bank (which are similar in the industry to other required debt to equity ratios), such a significant reduction in value of the Properties will require my Clients to "pay down" a substantial amount of the outstanding indebtedness in order to remain in compliance with the required debt to equity ratios included in their loan agreements. To the extent that such funds are not available, the restrictions established pursuant to the Proposed Ordinance could result in my Clients being subject to a foreclosure proceeding relating to the Properties.

Unfortunately, the \$1 million loss referenced above represents the floor, not the ceiting, in real damages to my Clients if the Proposed Ordinance is approved tomorrow. Among many other considerations is the loss in future earnings relating to the Properties. For obvious reasons, the income that is able to be generated from a multi-family housing project differs significantly from income relating to properties developed under the restrictions to be established pursuant to the Proposed Ordinance.

Por these reasons, my Clients respectfully request that the City table or defer a vote on the Proposed Ordinance to allow my Clients the opportunity to meet and confer with City officials and hopefully reach a compromise that will minimize the financial harm to my Clients while also accomplishing the City's goals for rezoning the Properties as a part of its Comprehensive Plan.

#### B. Proposed "win-win" compromise solutions,

As a member of the Iowa City community, my Clients want to help the City achieve its vision. My Clients, however, do not purport to know all of the City's goals for rezoning the Properties. We would therefore like to meet with City representatives to discuss the City's goals and also to discover if options are available that will facilitate the accomplishment of such goals but with less of a financial hardship being imposed upon my Clients,

In good faith, my Clients submit the following possible compromises. This is not meant to be a comprehensive list of the possible options that may be available. No option is off the

- My Clients have been approached by members of the North Side Association with a concept that would involve my Clients building, developing, or selling the property located at 911 North Governor Street (currently a Commercial Office zoned as "CO-1") in cooperation with the UniverCity Neighborhood Partnership Program to be used for the construction of single-family units, As a compromise for helping to facilitate the construction of such single-family units, my Clients would respectfully propose being permitted to build one 30 unit dwelling in the area currently zoned at R3B. Such a compromise is consistent with the current neighborhood scheme on North Governor Street and with the multi-unit dwelling scheme on North Dodge Street. This proposed compromise represents a significant reduction in my Client's previous attempt to obtain a building permit to allow the construction of a 72 unit housing facility upon the Properties.
- Approve the Proposed Ordinance as drafted while granting a variance that would allow my
  Clients to construct multi-family dwellings of 30, 40 or 50 units upon the Properties. This
  proposed compromise also represents a significant reduction in my Client's previous attempt
  to obtain a building permit to allow the construction of a 72 unit housing facility upon the
  Properties.
- Leave the current zoning ordinance in place while reaching an enforceable agreement on how
  my Clients could construct multi-family dwellings of 30, 40, or 50 units compatible with the
  character, scale and pattern of the current residential development scheme and the
  Comprehensive Plan.
- Approve the Proposed Ordinance as drafted, but permit density bonuses based upon my Clients establishing certain amenities (such as buffer zones) as determined by the City in order to create a pleasant, safe and efficient pedestrian environment.
- Rezone the Properties, not as single-family residential zones (RS-12), but rather as either a
  High Density Multi-Family Residential Zone (RM-44) or a Planned High Density MultiFamily Residential Zone (PRM).

#### C. Alternative remedica.

My Clients hope to be able to work with the City relating to the development of the Properties and to avoid litigation and inwants. If the City Council agrees to table or defer a vote on the Proposed Ordinance, my Clients would agree to suspend and continue any hearing on its pending Petition for Declaratory Judgment and Temporary Injunction to a date after the next City Council meeting. This would afford my Clients and the City at least one month to reach an agreement.

However, if we are unable to reach a compromise agreement, my Clients will have no choice but to pursue alternative legal remedies in order to protect their substantial investment relating to the Proporties. These remedies may include, but are not limited to, seeking writ of certiorari and declaratory relief, as well as money damages. If the Proposed Ordinance is approved, my Clients will continue to pursue their pending action before the Johason County District Court to enjoin the City from interfering with the planned development of the Properties, consistent with a similar injunction previously granted by the Iowa Supreme Court in Kempf v. City of Iowa City, 402 N.W. 2d 393 (1987). My Clients will further ask the court to find that the Proposed Ordinance cannot be applied to my Clients because they have a vested right in the original zoning classification. Finally, if the Proposed Ordinance is approved and goes into effect, my Clients will have a very strong case against the City for inverse condemnation. This all being said, my Clients would like to avoid lifegation and instead work out a mutually agreeable solution that serves the best interests of my Clients, lowa City, and the community at large.

Thank you for your attention to this matter. It is my Clients' sincere hope that the parties can avoid litigation and reach a mutually agreeable solution relating to this matter.

onicerciy,

Kelth J. Larson

BLOERKIN & PIRNIB, P.L.C.

cc: City Attorney Eleanor M. Dilkes 410 E Washington Street

Iowa City, Iowa 52240

(Sent via E-mail and USPS)